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PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1998-1999

THE SITUATION IN CENTRAL AMERICA: PROCEDURES FOR THE ESTABLISHMENT OF A FIRM AND LASTING PEACE AND PROGRESS IN FASHIONING A REGION OF PEACE, FREEDOM, DEMOCRACY AND DEVELOPMENT

United Nations Verification Mission in Guatemala

Programme budget implications of draft resolution A/52/L.19

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee has considered the statement of the Secretary-General (A/C.5/52/21), submitted in accordance with rule 153 of the rules of procedures of the General Assembly, on the programme budget implications of draft resolution A/52/L.19.

2. In paragraph 5 of its resolution 51/198 B of 27 March 1997, the General Assembly authorized the expansion of the mandate of the United Nations Mission for the Verification of Human Rights and of Compliance with the Commitments of the Comprehensive Agreement on Human Rights in Guatemala, to be known henceforth as the United Nations Verification Mission in Guatemala (MINUGUA), for a further period of one year, until 31 March 1998, to carry out international verification of the peace agreements signed in Guatemala on 29 December 1996. In paragraph 7 of the same resolution, the Assembly requested the Secretary-General to submit a report with his recommendations on the structure and staffing of the Mission after 31 March 1998.

3. The Advisory Committee notes, that under the terms of draft resolution A/52/L.19, the mandate of MINUGUA would be extended for a further period of 21 months, until 31 December 1999. The Mission would thus continue its comprehensive functions, consistent with the parties' requests contained in the package of agreements signed in December 1996, and conforming to the

timetable of implementation of those agreements, which should be finalized in the year 2000.

4. The Advisory Committee also notes, as indicated in paragraph 3 of the report submitted by the Secretary-General (A/52/554), that the implementation calendar agreed upon by the parties at the time includes three consecutive phases, the first of which was completed in the first 90 days of 1997. The second phase covers the remainder of 1997 and the third one, which spans from 1998 to 2000, is addressed in the proposed budget under consideration for 1998-1999. The third phase, besides further developing those measures undertaken in the second phase, such as emphasizing social and productive investment, modernization and decentralization of the State, public administration reform, and restructuring of public security and national defense, includes, as well, "implementation of the outcome of the various commissions and promotion of broad legislative reform on issues such as the Penal Code, the administration of Justice, land tenure and the multi-ethnic, multicultural and multilingual nature of Guatemala" (A/52/554, para. 3).

5. The programme budget implications contained in document A/C.5/52/21 are therefore based upon the decision contained in paragraph 6 of draft resolution A/52/L.19 to extend the mandate of the Mission beyond 31 March 1998 until 31 December 1999, and on the results of the review carried out in September 1997 to ensure that the structure, personnel and administrative and logistical capacity of the Mission can respond in an adequate manner to the demands of the verification process until the end of 2000 (see A/52/554, para. 10). Moreover, as stated in paragraph 11 of the Secretary-General's report, adjustments to the Mission's staffing and regional deployment are proposed during 1998-1999 "in order to strengthen its capacity to coordinate its work, attract and retain highly qualified staff, ensure an adequate geographical coverage of the country, address all the substantive areas of verification in compliance with its mandate and ensure adequate liaison with other international institutions and bodies".

6. As indicated in paragraph 24 and annex I to document A/C.5/52/21, the estimated costs for the extension of the mandate of MINUGUA for an additional period of 21 months, or until 31 December 1999, amount to $66,654,800 gross or $61,815,100 net. Upon inquiry, however, the Advisory Committee was informed that, at the level of resources authorized in 1996, the estimates for 1998-1999 would amount to $58.6 million net. The $3.2 million increase in resources corresponds to the strengthening of the staffing component of the Mission and the addition of the two new subregional offices. The Advisory Committee notes that the requirements for the expanded activities of the Mission for the period from 1 January to 31 March 1998, which amount to $8,372,300, are contained in the proposed programme budget for the biennium 1998-1999,[1] in paragraphs 3.78 to 3.87 and summarized in table 3.27. A table consolidating the requirements of MINUGUA for the period from 1 January to 31 March 1998, and the 21 months thereafter until 31 December 1999, is attached as annex I to the present report.

7. The proposed structure to meet the demands of the verification process is contained in section D of document A/C.5/52/21. The Advisory Committee notes that the proposed strengthened staffing component, excluding military liaison officers and civilian police, increases by a total of 26, or 6 per cent, from a total of 434 to 460 posts. While local staff increases by 15 per cent from 199

to 229 posts, international staff and volunteers combined decrease by 1.7 per cent, from 235 to 231 posts. A table comparing existing staffing resources, approved for 1997 up to 31 March 1999, with those proposed until the end of 1999, is attached as annex II to the present report. Furthermore, the Advisory Committee was informed, upon inquiry, that as of 31 October 1997, there were 25 vacant positions (20 Professional, 4 General Service and 1 Field Service posts) out of the 434 approved posts.

8. The net effect of the changes in staffing structure are summarized in paragraph 23 of the Secretary-General's statement (A/C.5/52/21). As indicated in paragraph 7 of the statement, the Secretary-General proposes to eliminate a P-2 position in the Office of the Field Coordinator to replace it with a P-4 position to accommodate a Professional with the level of experience required for the functions performed, which include coordinating the activities of the regional offices and serving as liaison with the heads of the verification areas. The Advisory Committee understands that the intention is to rotate this post among regional coordinators (also at the P-4 level) in order to strengthen communications between headquarters and regional offices. In view of the above, the Advisory Committee has no objection to this proposal.

9. Paragraphs 8 to 16 of the Secretary-General's statement address the strengthening of the regional and subregional office structure. There are currently eight regional and six subregional offices. As already indicated in paragraph 6 above, the Secretary-General proposes to establish two additional subregional offices, at Fray Bartolomé de las Casas and Chimaltenango. In paragraph 12 of document A/C.5/52/21, the Secretary-General states that this requires an increase of two political officers at the P-3 level (one for each of the offices) and a corresponding support staff of four at the Local level for each office. Upon inquiry, the Advisory Committee was further informed that costs associated with the establishment of the two new subregional offices amount to $784,800 ($404,600 for Chimaltenango and $380,200 for Fray Bartolomé de las Casas). In paragraphs 13 to 15 the Secretary-General indicates that two mobile verification teams are also being established, staffed from the regional offices administering them, but requiring interpreters and drivers recruited locally, to carry out verification tasks in remote areas. The Advisory Committee concurs with these requests.

10. The Advisory Committee notes that it is proposed to reduce the number of United Nations Volunteers by 16, from 106 to 90, to be offset by a corresponding increase in United Nations staff, 8 at the P-3 level and 8 at the P-2 level. The reason for this proposal is that the number of Volunteers appears to constitute a disproportionate level to that of United Nations staff members. The Advisory Committee agrees that this ratio (which is stated in para. 15 of the Secretary-General's report as being 80 per cent) may be somewhat high. However, in view of the temporary nature of the Mission, the Advisory Committee does not find the reasons given so compelling as to require such a large conversion. The Advisory Committee recommends that only eight Volunteer posts be converted, to be offset by a corresponding increase in United Nations staff. The Advisory Committee further requests that the recruitment of all staff be carried out in accordance to the procedures laid out by the General Assembly (see also para. 11 below).

11. In paragraph 17 of his statement, the Secretary-General proposes to head the five verification areas (human rights; indigenous affairs; social, economic and agrarian aspects; strengthening of civilian power; and resettlement and integration) at the D-1 level instead of the current P-5 level. The Advisory Committee notes from the same paragraph that "experience to date has shown that, at that level, the Mission has difficulty in attracting or retaining staff with the required expertise". Furthermore, it is argued that the government counterparts of the chiefs of area are at the ministerial level. The Advisory Committee was informed, however, that the P-5 heads of area have existed only since March 1997, and moreover, some of them have been performing well at that level; further, the Advisory Committee could not ascertain that those posts had been properly advertised. The Advisory Committee is of the view, therefore, that it may be too soon to conclude that experience leads to a requirement for D-1 posts. In view of this, the Advisory Committee recommends that the posts be maintained at the P-5 level and that further efforts be made, where possible, to advertise the posts for recruitment at the P-5 level.

12. The Advisory Committee concurs with the proposals in paragraphs 19 and 20 of the statement to grade the staff member responsible for public information activities at the P-4 level instead of the P-5 level, and to recruit eight national officers with knowledge of the local traditions and attitudes; the national officers would assist in carrying out a campaign to inform the general public on the peace accords, and would perform the function of public information officers in each of the regional offices.

13. The Advisory Committee notes that the Secretary-General proposes to increase civilian police observers by 13, from 38 to 51, in view of the serious public security situation, and that an increase of 3 military liaison officers is also proposed (from 17 to 20) to maintain indispensable military expertise at headquarters as well as at the regional and subregional offices (see paras. 21 and 22 of the Secretary-General's statement). The Advisory Committee concurs with this proposal.

14. An amount of $7,454,000 is provided under item 2, Civilian personnel costs, for mission subsistence allowance. In this connection, the Advisory Committee was informed that in line with the decision taken by the General Assembly in its resolution 51/218 E of 17 June 1997, on the administrative and budgetary aspects of peacekeeping operations, provision for civilian personnel costs should be reduced by $143,700. In section IV, paragraph 1 of that resolution, the Assembly requested the Secretary-General to phase out, over a six-month period, the supplement to mission subsistence allowance paid to senior officials.

15. The Advisory Committee also sought further clarification with regard to the fact that under civilian personnel costs there is no provision under death and disability for the civilian police contingent. In this connection, the Advisory Committee was informed that the agreement for the provision of the civilian police does include liability by the United Nations in the event of death or disability. For peacekeeping missions the provision is included under military contingent death and disability using the same formula used for calculating the death and disability provision of the military contingent; civilian police claims are processed by the Advisory Board on Compensation Claims under Appendix D to the Staff Rules. The Advisory Committee notes, however, that no

provision has been made for this purpose in connection with MINUGUA, and that the Organization would be liable if any such eventuality were to occur. The Advisory Committee recommends that this lacuna be corrected and that adequate provision be proposed to the Fifth Committee during its current consideration of the present report.

16. The Advisory Committee notes that an amount of $159,000 is indicated under travel costs for civilian police for the period 1 April 1998 through 31 December 1999. Annex III B further indicates that the provision relates to 13 additional civilian police, 10 expected rotations in 1998 and 30 in 1999. On the basis of the information provided, the Advisory Committee is of the opinion that the costs of rotation for 1999 may have been underestimated.

17. In annex I, budget item 5, Air operations, shows an increase under helicopter operations from $900,000 (1 April 1997 to 31 March 1998) to $2,341,500, for the 21 months thereafter, and annex III.A provides, as an explanation, an increase in the monthly rate for hire/charter costs from $75,000 to $111,500 for 60 hours. However, upon inquiry, the Advisory Committee was informed that the rates quoted in the budget implications' document were based on contractual arrangements with a previous contractor. Moreover, new contractual arrangements provide for the rental of a helicopter at a fixed monthly rate of $82,000 for 60 hours per month, plus third party liability of $500 per month. The revised total cost for air operations is therefore $2,720,800 - a reduction of $609,000. The Advisory Committee nevertheless reiterates its belief that considerable savings can be achieved by careful monitoring of flying hours (see A/51/826, para. 12).

18. The Advisory Committee also notes that a non-recurrent cost of $3,875,500 is proposed under item 4, Transport operations, for the purchase and replacement of 171 vehicles out of a fleet of 223 vehicles. The Advisory Committee was informed that most of those vehicles were provided from other missions, as reported by the Secretary-General in document A/C.5/48/84; after more than five years of use, they are now beyond their economic life in terms of service and reliability. Such is also the case in connection with resources requested for the purchase of communications equipment and other equipment, where a provision for non-recurrent costs is indicated, amounting to $158,700 and $618,700 respectively, reflecting the need to replace old, worn-out equipment transferred from other missions at the time of the establishment of MINUGUA (see A/C.5/48/84, A/48/7/Add.17 and A/C.5/49/29).

19. The Advisory Committee, however, questions the increase in spare parts, repairs and maintenance for vehicles from $128,400 to $826,800, justified by an increase in cost from $32.77 to $34.98 per month as explained in annex III.A to the statement. The Advisory Committee believes that standard costing has been directly applied in this case instead of rationalizing a probable decrease in maintenance owing to the replacement of a large number of vehicles. Furthermore, the Advisory Committee believes that the same observation applies under spare parts, supplies and maintenance for communications equipment ($306,500), where the large number of equipment replaced should result in a decrease in maintenance costs.

20. The Advisory Committee sought further clarification with regard to the amount of $296,200 for travel of staff under item 2, civilian personnel costs in addition to the information provided in annex III. The Advisory Committee was informed that the trips to New York/Washington cover official visits to Headquarters, as well as visits to the Organization of American States, the World Bank, the International Monetary Fund, and the Inter-American Development Bank, which have very close ties with the Mission, and that the trips to Europe are related to meetings of the Human Rights Commission and consultations with donors.

21. Annex IV to document A/C.5/52/21 provides information on the voluntary contributions received by the Mission from donor Governments for the purpose of implementing a variety of institution-building projects and activities in support of the peace process and implementation of the peace accords, not provided for through international cooperation and implemented separately from the mandate of the mission itself. The Advisory Committee notes that for the period from 1 April 1997 to 31 March 1998 expenditures incurred amount to $2,523,100, and that the balance of contributions available for the next mandate period amounts to $10,869,000. The Advisory Committee notes that annex IV also provides information on the role of the United Nations agencies and their cooperation with MINUGUA in the implementation of the peace agreements. The Advisory Committee expects that MINUGUA's role in this regard will ensure effective coordination in order to avoid duplication and overlap of functions, and that such coordination will further lead to identifying areas of potential savings.

22. The Advisory Committee commends the Secretary-General for the presentation of MINUGUA's budget in a format analogous to that used for peacekeeping operations, as recommended by the Advisory Committee and approved by the General Assembly, and encourages him to do so with other missions funded from the regular budget. The Advisory Committee is of the opinion, however, that a performance report should be presented, by the end of 1998, to allow better monitoring of the resources appropriated for MINUGUA.

23. Paragraph 26 of document A/C.5/52/21 indicates that should the General Assembly adopt draft resolution A/52/L.19, an additional appropriation of $61,815,100 would be required, under section 3, Peacekeeping operations and special missions, of the proposed programme budget for the biennium 1998-1999, for the activities of MINUGUA from 1 April 1998 to 31 December 1999. The Advisory Committee also notes that an additional appropriation of $4,839,700 would be required under section 32, Staff assessment, to be offset by a corresponding amount under Income section 1, Income from staff assessment. The Advisory Committee does not recommend any reduction in the estimates proposed by the Secretary-General. The Advisory Committee expects significant economies to be achieved based on its observations and recommendations in paragraphs 10, 11, 14, 17 and 19 above. However, these may be partially offset by the recommendations and observations of the Advisory Committee in paragraphs 15 and 16 above. The Advisory Committee has requested a performance report in paragraph 22 above.

Notes

[1] Official Records of the General Assembly, Fifty-second session, Supplement No. 6 (A/52/6/Rev.1).

ANNEX I

Consolidated cost for the requirements of MINUGUA during the biennium 1998-1999
(at 1998-1999 rates)

(In thousands of United States dollars)

Object of expenditure	Period from 1 January to 31 March 1998 (A)	Period from 1 April 1998 to 31 December 1999 (B)	Total cost from 1 January 1998 to 31 December 1999 (C)	Estimates from 1 January to 31 March 1998 projected for 21 months (D) (A)/3x21	Increase (decrease) (E) (B) less (D)
Other staff costs	6 971.6	47 605.1	54 576.9	48 802.6	(1 197.5)
Consultants and experts					
Travel	138.7	518.2	656.9	970.9	(452.7)
Contractual services	84.7	602.7	687.4	692.9	9.8
General operating expenses	863.8	7 108.2	7 972.0	6 046.6	1 061.6
Hospitality		14.7	14.7		14.7
Supplies and materials	130.9	968.7	1 099.6	916.3	52.4
Furniture and equipment	182.4	4 997.5	6 179.9	1 276.8	3 720.7
Grants and contributions					
Total cost	8 372.3	61 815.1	70 187.4	56 606.1	3 209.0

ANNEX II

MINUGUA existing and proposed staffing, 1998-1999, excluding military liaison and civilian police

	International staff	Local staff	Voluntary staff	Total
Office of the Director				
1997-March 1998	6	4	0	10
April 1998-December 1999	6	4	0	10
Verification				
1997-March 1998	33	27	9	69
April 1998-December 1999	37	23	4	64
Regional				
1997-March 1998	33	78	96	207
April 1998-December 1999	49	99	85	233
Other support				
1997-March 1998	63	94	1	158
April 1998-December 1999	55	107	1	163
Total				
1997-March 1998	135	203	106	444
April 1998-December 1999	147	233	90	470